

(C) Be considered for ESB set-aside if the estimated value is both less than the emerging small business reserve amount and less than \$300,000.

(D) Be considered for small business set-aside if the estimated value is less than \$300,000, regardless of whether small business set-asides for other architect-engineer services are prohibited under the Small Business Competitiveness Demonstration Program, when an ESB set-aside is not appropriate.

(ii) All requirements of the Small Business Competitiveness Demonstration Program apply to architect-engineer services in support of other than military construction projects or military housing objects, which otherwise meet criteria in FAR subpart 19.10.

(b) The targeted industry categories for DoD are:

North American Industry Classification System (NAICS) Description	NAICS Code
(1) Pharmaceutical Preparation Manufacturing .....	325412
(2) Ammunition (except Small Arms) Manufacturing .....	332993
(3) Other Ordnance and Accessories Manufacturing .....	332995
(4) Turbine and Turbine Generator Set Unit Manufacturing .....	333611
(5) Aircraft Engine and Engine Parts Manufacturing (including Research and Development) .....	336412
(6) Guided Missile and Space Vehicle Manufacturing (including Research and Development) .....	336414
(7) Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing (including Research and Development) .....	336419
(8) Military Armored Vehicle, Tank and Tank Component Manufacturing .....	336992
(9) Search and Navigation System and Instrument Manufacturing ...	334511
(10) (i) Cellular and Other Wireless Telecommunications .....	517212
(ii) Satellite Telecommunications .....	517410
(iii) Other Telecommunications .....	517910

[56 FR 36353, July 31, 1991, as amended at 59 FR 27670, May 27, 1994; 62 FR 34122, June 24, 1997; 63 FR 41974, Aug. 6, 1998; 65 FR 50149, Aug. 17, 2000; 66 FR 49861, Oct. 1, 2001; 68 FR 50476, Aug. 21, 2003; 69 FR 31909, June 8, 2004]

#### 219.1007 Procedures.

(a)(2) When it is not practical to mark the face page of an award document, alternative means may be used to identify the contract as an award under the Small Business Competitive-ness Demonstration Program.

(b)(1) The Director, Small and Disadvantaged Business Utilization, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) (OUSD(AT&L)), will determine whether reinstatement of small business set-asides is necessary to meet the agency goal and will recommend reinstatement to the Director of Defense Procurement and Acquisition Policy (OUSD(AT&L)). Military departments and defense agencies shall not reinstate small business set-asides unless directed by the Director of Defense Procurement and Acquisition Policy.

(d) Reporting requirements are at 204.670–2.

[65 FR 39705, June 27, 2000, as amended at 68 FR 7439, Feb. 14, 2003; 70 FR 6374, Feb. 7, 2005]

### Subpart 219.11—Price Evaluation Adjustment for Small Disadvantaged Business Concerns

#### 219.1102 Applicability.

(b) The price evaluation adjustment also shall not be used in acquisitions that are for commissary or exchange resale.

[63 FR 41974, Aug. 6, 1998]

### Subpart 219.12—Small Disadvantaged Business Participation Program

SOURCE: 63 FR 64429, Nov. 20, 1998, unless otherwise noted.

#### 219.1203 Incentive subcontracting with small disadvantaged business concerns.

The contracting officer shall encourage increased subcontracting opportunities for SDB concerns in negotiated acquisitions by providing monetary incentives in the North American Industry Classification System Industry

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## 219.7102

Subsectors for which use of an evaluation factor or subfactor for participation of SDB concerns is currently authorized (see FAR 19.201(b)). Incentives for exceeding SDB subcontracting targets shall be paid only if an SDB subcontracting target was exceeded as a result of actual subcontract awards to SDBs, and not a result of developmental assistance credit under the Pilot Mentor-Protégé Program (see Subpart 219.71).

[63 FR 64429, Nov. 20, 1998, as amended at 65 FR 50149, Aug. 17, 2000]

### 219.1204 Solicitation provisions and contract clauses.

(c) The contracting officer shall, when contracting by negotiation, insert in solicitations and contracts containing the clause at FAR 52.219-25, Small Disadvantaged Business Participation Program-Disadvantaged Status and Reporting, a clause substantially the same as the clause at FAR 52.219-26, Small Disadvantaged Business Participation Program-Incentive Subcontracting, when authorized (see FAR 19.1203). The contracting officer may include an award fee provision in lieu of the incentive; in such cases, however, the contracting officer shall not use the clause at FAR 52.219-26. Do not use award fee provisions in contracts with contractors that have comprehensive subcontracting plans approved under the test program described in 219.702(a).

### Subpart 219.70 [Reserved]

### Subpart 219.71—Pilot Mentor-Protége Program

SOURCE: 65 FR 6555, Feb. 10, 2000, unless otherwise noted.

#### 219.7100 Scope.

This subpart implements the Pilot Mentor-Protégé Program (hereafter referred to as the “Program”) established under Section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 10 U.S.C. 2302 note). The purpose of the Program is to provide incentives for DoD contractors to assist protege firms in enhancing their capabilities and to

increase participation of such firms in Government and commercial contracts.

[66 FR 47108, Sept. 11, 2001, as amended at 69 FR 74995, Dec. 15, 2004]

#### 219.7101 Policy.

DoD policy and procedures for implementation of the Program are contained in Appendix I, Policy and Procedures for the DoD Pilot Mentor-Protége Program.

#### 219.7102 General.

The Program includes—

(a) Mentor firms that are prime contractors with at least one active subcontracting plan negotiated under FAR Subpart 19.7 or under the DoD Comprehensive Subcontracting Test Program.

(b) Protege firms that are—

(1)(i) small disadvantaged business concerns as defined at 219.001(1);

(ii) Business entities owned and controlled by an Indian tribe;

(iii) business entities owned and controlled by a Native Hawaiian Organization;

(iv) Qualified organizations employing the severely disabled;

(v) Women-owned small business concerns;

(vi) Service-disabled veteran-owned small business concerns; or

(vii) HUBZone small business concerns;

(2) Eligible for receipt of Federal contracts; and

(3) Selected by the mentor firm.

(c) Mentor-protége agreements that establish a developmental assistance program for a protege firm.

(d) Incentives that DoD may provide to mentor firms, including—

(1) Reimbursement for developmental assistance costs through—

(i) A separately priced contract line item on a DoD contract; or

(ii) A separate contract, upon written determination by the cognizant Component Director, Small and Disadvantaged Business Utilization (SADBU), that unusual circumstances justify reimbursement using a separate contract; or

(2) Credit toward applicable subcontracting goals, established under a subcontracting plan negotiated under FAR